

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Endow
5 Illinois Tax Credit Act.

6 Section 5. Definitions. For the purposes of this Act:

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Endowment gift" means an irrevocable contribution, made
10 in cash or stock, to a permanent endowment fund held by a
11 qualified community foundation.

12 "Permanent endowment fund" means a fund that (i) is held by
13 a qualified community foundation to provide benefit only to
14 charitable causes in the State, (ii) is intended to exist in
15 perpetuity, and (iii) has an annual spend rate based on the
16 foundation spending policy, but not to exceed 7%.

17 "Qualified community foundation" means a community
18 foundation or similar publicly supported organization
19 described in Section 170 (b) (1) (A) (vi) of the Internal Revenue
20 Code of 1986 that is organized or operating in this State and
21 that substantially complies with the national standards for
22 U.S. community foundations that are established by the National
23 Council on Foundations, as determined by the Department.

1 Section 10. Tax credit awards.

2 (a) The Department shall award an income tax credit to
3 taxpayers who make an endowment gift to a permanent endowment
4 fund. The amount of the credit that may be awarded to a
5 taxpayer by the Department under this Act is an amount equal to
6 50% of the endowment gift. Except in the case of an individual,
7 a taxpayer is not eligible to receive a credit under this Act
8 for the taxable year if the taxpayer's average gross business
9 receipts for the 3 taxable years prior to the taxable year for
10 which the taxpayer applies for a credit under this Act exceed
11 \$5,000,000 for taxable years ending in 2013 or \$12,500,000 for
12 taxable years ending in 2014 or thereafter.

13 (b) The aggregate amount of all credits that the Department
14 may award under this Act in any calendar year may not exceed
15 \$5,000,000 in 2013, \$12,500,000 in 2014, or \$25,000,000 in 2015
16 and each calendar year thereafter. The aggregate amount of all
17 credits that the Department may authorize to any single
18 taxpayer in a calendar year may not exceed \$500,000 in 2013,
19 \$1,250,000 in 2014, or \$2,500,000 in 2015 and each calendar
20 year thereafter. The aggregate amount of all credits that the
21 Department may authorize based on endowment gifts to any
22 specific community foundation may not exceed \$2,500,000 in
23 2013, \$6,250,000 in 2014, or \$12,500,000 in 2015 and each
24 calendar year thereafter.

25 (c) If the Department receives applications for tax credits

1 in excess of the aggregate limitation under subsection (b),
2 then the applications must be prioritized by the date that the
3 Department received them, and the Department must establish a
4 wait list for the next year's allocation of tax credits and
5 fund applications in the order listed on that wait list.

6 Section 15. Applications for tax credits.

7 (a) The Department shall develop and make available a
8 standardized application pertaining to the allocation of tax
9 credits under this Act. A separate application for tax credit
10 must be made for each endowment gift, and shall be submitted
11 jointly by the taxpayer and the qualified community foundation
12 to which the endowment gift is to be made. The application
13 shall include such information as the Department deems
14 necessary to determine that the taxpayer is eligible to receive
15 a credit under this Act, and such other information as the
16 Department deems necessary to the administration of this Act.
17 If an application for tax credit is approved, the Department
18 shall issue the taxpayer a certificate of verification that
19 states the amount of the tax credit to which the taxpayer is
20 entitled and the taxable year to which such credit applies. A
21 taxpayer claiming a credit under this Act shall submit to the
22 Department of Revenue a copy of the certificate of verification
23 under this Act.

24 (b) Of the annual amount available for tax credits under
25 subsection (b) of Section 10 of this Act, 10% must be reserved

1 for those endowment gifts of \$30,000 or less. If the entire 10%
2 that is reserved for permanent endowment gifts totalling
3 \$30,000 or less is not allocated, then the remaining amount is
4 available in the following years for endowment gifts of \$30,000
5 or less.

6 (c) The Department must accept applications and authorize
7 credits on an ongoing basis. The Department must make public,
8 by June 1 and by December 1 of each year, the total number of
9 requests for tax credits and the total amount of requested tax
10 credits that have been submitted and awarded.

11 (d) Notwithstanding any other law to the contrary, the
12 Director of Revenue may make available to the Department
13 information received by the Director from tax returns filed
14 under the Illinois Income Tax Act, for the limited purpose of
15 determining the taxpayer's eligibility for credit under this
16 Act.

17 Section 20. Annual report. By January 31 of each year, the
18 Department must submit an annual report to the Governor and the
19 General Assembly concerning the activities conducted under
20 this Act during the previous calendar year. The report must
21 include a detailed listing of tax credits authorized under this
22 Act by the Department.

23 Section 90. The Illinois Income Tax Act is amended by
24 adding Section 224 as follows:

1 (35 ILCS 5/224 new)

2 Sec. 224. The Endow Illinois Tax Credit.

3 (a) For taxable years ending on or after December 31, 2013,
4 each taxpayer for whom a tax credit has been awarded by the
5 Department of Commerce and Economic Opportunity under the Endow
6 Illinois Tax Credit Act is entitled to a credit against the tax
7 imposed under subsections (a) and (b) of Section 201 in an
8 amount equal to the amount awarded under that Act.

9 (b) If the taxpayer is a partnership or a Subchapter S
10 corporation, the credit is allowed to the partners or
11 shareholders in accordance with the determination of income and
12 distributive share of income under Sections 702 and 704 and
13 Subchapter S of the Internal Revenue Code.

14 (c) The credit may not be carried back and may not reduce
15 the taxpayer's liability to less than zero. If the amount of
16 the credit exceeds the tax liability for the year, the excess
17 may be carried forward and applied to the tax liability of the
18 5 taxable years following the excess credit year. The tax
19 credit shall be applied to the earliest year for which there is
20 a tax liability. If there are credits for more than one year
21 that are available to offset a liability, the earlier credit
22 shall be applied first.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.